642 Yüan refused to budge from his base of power in Peking. The provisional assembly, intent on exercising the real power in the government, reluctantly moved to Peking to limit the actions of the new and distrusted president. At his own base of power, however, Yüan was invulnerable. When the parliament refused to bend to his will, he brought about the dissolution of the body in 1913 and its permanent suspension at the beginning of 1914.

Thereafter, he restored Confucianism and the worship of heaven as state cults, established peace and order by strong-arm methods, and consolidated his personal power. Having become president for life in 1914, he attempted to make himself emperor. This move led to the defection of six provinces south of the Yangtze River and their organization of a rival government. Yüan was in the midst of trying to undo his folly when he died in June 1916.

F. Warlord Rule

642 With Yüan's death, his staff officers in
●701 North China and military leaders elsewhere
681 made a bid for dominance over all or parts of China. Motivated largely by the desire for power and wealth, none attracted a popular following or was able to restore unity and centralized government to China.[20]

20. On the warlords see MacNair, op. cit., pp. 46-64 and passim.

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631 Peking was a primary attraction to these military despots. It was still the national capital of the Republic and carried on the fiction of governing China. Through control of the phantom government at Peking, various warlords were able to enrich themselves by arranging loans from Japan in return for favors that sacrificed China's interests.

Most notorious of the warlord rulers of Peking was Tuan Ch'i-jui. A former staff officer of the Pei-yang Army and premier under Yüan, he retained the latter position after Yüan's death and controlled the central government through leadership of a military faction called the Anfu Clique (an for Anhwei and peace, fu for Fukien and good fortune). His dominance of the government was alternately shared with or disputed by two other similar groups: the Chihli (Hopei) Clique headed by Ts'ao K'un, later by Wu P'ei-fu; and the Fengtien (South Manchuria) Clique led by Chang Tso-lin, after 1928 by his son Chang Hsüeh-liang. From 1923, Feng Yü-hsiang, until then the chief lieutenant of Wu P'ei-fu, become an independent and additional element in the dominance of Peking. In consort, the warlords ousted from Peking the 1911 parliamentary rule.

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668 While Hopei and the capital were experiencing almost constant warfare and

642 changes in governing personnel, Shansi was
701 held firmly by Yen Hsi-shan. A native of
631 the province, he had controlled it since
668 becoming military governor under Yüan Shih-k'ai. After the Kuomintang armies embarked on the Northern Expedition to unite all China, Yen temporarily cast in his lot with the movement. His seizure of Peking in June 1928 under the revolutionary banner marked the last step in the Kuomintang's nominal unification of China. On June 21, the name of the capital of China for almost 650 years was changed from Peking to Peiping (actually from Pei-ching or Northern Capital to Pei-p'ing or Northern Peace), and Nanking (Nan-ching or Southern Capital) was made the political center of China.

642 The nominal unification of the country
701 did not bring an end to turmoil in the northern
631 provinces nor their subservience to the Nanking Government. Yen retained his control over Shansi and made a bid for dominance of Hopei as well. In ephemeral alliances with or against Feng Yü-hsiang, Chang Hsüeh-liang, and the Kuomintang, he continued the struggle until Chang committed himself to the Nationalist Government in 1930. The Fengtien leader eliminated his rivals from Hopei with the help of Nanking and was given command of the area between the Great Wall and the Yellow River as well as the task of bringing his domain in Manchuria into closer alignment with the

1:Stanford U, S-4, 5 1956 AF12 North China
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642 central government. Real power in Shansi,
701 however, remained in the hands of Yen Hsi-shan,
631 and he was eliminated from the province only after World War II by the Communist armies.

G. North China and Japan

167 Toward the end of the second decade
63 of the twentieth century, a significant change
648 occurred in the frontier region north and northeast of Shansi and Hopei. The opening of modern rail and road systems stimulated mass migrations from the North China Region (and Shantung) into Inner Mongolia and, on a far larger scale, into Manchuria. As soon as the Nationalist Government was established in October 1928, it created the provinces of Suiyuan, Chahar, and Jehol out of Inner Mongolia and made them part of the Chinese administrative system. Soon afterward, the Nanking regime made strenuous efforts to establish economic dominance in the new provinces and Manchuria.[21]

648 These moves threatened Japan's whole position in East Asia. Japan had been

21. See Lattimore, op. cit., pp. 13-18, H.B. Morse and H.F. MacNair, Far Eastern International Relations, Boston, Houghton Mifflin Co., 1931, pp. 727, 758-60; and George H. Blakesless and Harold S. Quigley, The Far East, An International Survey, Boston, World Peace Foundation, 1938, pp. 8-122.

1:Stanford U. S-4, 5 1956 AF12 North China
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668 Army carried guerrilla warfare into the rural
721 areas of Shansi, Hopei, Chahar, and Jehol, and central and northern Shansi.[31]

668 Functioning as a collection of separate
● 701 armed bands rather than as a group, the Eighth Route Army maintained scattered rural bases isolated from one another by Japanese forces concentrated in the cities and along communication routes. Local peasants and former students and professors from Peking and Tientsin were drawn into the army or trained as an irregular militia guarding the villages. Because the Communist army existed behind enemy lines and lacked independent finances, it was forced to cultivate the good will of the local Chinese populace. Political cadres operating with the army established local governments, encouraged a high degree of local participation in them, lowered the taxes of the poorer peasants,

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31. On the Eighth Route Army and the Communist areas see Gunther Stein, The Challenge of Red China, New York, Whittlesey House, McGraw-Hill Book Co., Inc., 1945, pp. 324, 328-30, and map facing p. 458; White and Jacoby, op. cit., pp. 199-213; Linebarger, op. cit., pp. 116-23, 159-75; and U.S. Office of Strategic Services, The Guerrilla Front in North China, Washington, D.C. 1943.

1:Stanford U, S-4, 5 1956 AF12 North China
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668 suspended rents due absentee landlords who
701 had gone over to the Japanese, and organized production co-operatives for the benefit of the army and the local people.

For the people of North China, it was a new experience to encounter a government which did not exploit them and an army which did not pillage, rape, and kill civilians. The grasping administrators and rapacious armies of the provincial governments had been followed by the even more predatory army and administration of the Japanese. Almost wholly lacking in political and social consciousness before the arrival of the Eighth Route Army, the rural people of North China began to hear from the army commissars and from the refugee students and professors the radical and liberal ideas with which other areas of China had been concerned for a quarter of a century. The reaction of the North China people to the change-over from the expedient and necessarily liberal, democratic policy of wartime Communism to the ruthless, regimented policy of the present-day Communist regime is impossible to determine, but it is likely these people now feel the Communist wartime program was a lulling interlude to encourage their acceptance and promotion of a government more disciplined but no less exploitive than its predecessors.

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C. Victory of the Communist Party

701 668 631 At the end of the war, Communist forces were scattered throughout the North China Region. With few exceptions, the Communists were in command wherever the authority of the Shansi-Chahar-Hopei Border Region Government reached. Other border region governments unrecognized by Chungking had been established by the Communists at the juncture of Shansi-Suiyuan, Hopei-Jehol-Liaoning, Shansi-Hopei-Honan, and Hopei-Shantung-Honan. The countryside surrounding these bases was largely under the supervision of roving guerrilla units of the Eighth Route Army.

668 669 After the surrender of Japan, the Communists' design to solidify their control over the entire North China Region by accepting the surrender of Japanese troops in the major cities was thwarted by the Kuomintang. Yen Hsi-shan seized Taiyuan, and American air and naval transport facilities ferried National Government forces to the major cities of North China before the Communists reached them on foot. The only important city in the North occupied and held by the Communists for a time was Kalgan (Chang-chia-k'ou) along the Great Wall in northern Hopei. Through this key rail junction the Communists were able to funnel troops into Manchuria, where Soviet Union occupation enabled them to take

555 The road to status and wealth through education and government service was often by-
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701 passed in time of chaos; military skills would enable individuals to obtain high positions in the bureaucracy. But military men seldom won social esteem until they had become cultivated, and such esteem generally accrued to their children, who were given the opportunity by reason of their parents' wealth to acquire learning under the tutelage of well-known scholars.

C. Social Organizations

575 Social organizations which had no basis in
579 kinship were not recognized as approved parts of the social hierarchy or as approved means for gaining social prominence. However, they helped to supplement relationships otherwise neglected by the social order. Most of the traditional non-kin social organizations had an economic motivation. The success of such organizations, however, served as a disintegrating influence on the existing social system.

In rural areas organizations such as the Red Spear Society (Hung-ch'iang Hui) and the Mutual Protection Society (Lien-ya Hui) existed for the protection of its members against roving bandits. These voluntary associations arose in areas where the government failed to maintain order and peace, and their organization cut across class

565 During this period of social and political
●701 disorder, military men began to gain power,
517 obtaining offices by virtue of their military
198 success. Rather than despising the military as the older scholars did, many intellectuals began to seek similar careers as a means to power. This tendency began with the opening of the Huang-p'u (Whampoa) Military Academy in Kwangtung for the training of officers for the 1923-27 campaign against the warlords. In the war against Japan the prestige of military men was greatly enhanced. A military career has now become a major attraction to ambitious intellectuals as a possible channel for social advancement. Chiang Kai-shek and Mao Tse-tung, who owe much of their popular success to their military skill, suggest the prestige granted military men in the modern period.

III. SOCIAL STRUCTURE UNDER THE COMMUNIST REGIME

565 The Chinese Communists interpret the exist-
668 ing social structure from a Marxist viewpoint, and extoll the ideal of a classless society. Their belief that the transition to a classless society is inevitable justifies the liquidation of certain surviving classes.

A. Class Differentiation among the Chinese Population

In his book On the People's Democratic Dictatorship (1949) Mao Tse-tung divided Chinese

668 423 665 of Yü-tsi 80 per cent of the peasants were members of the Peasant Association.[56]

665 423 701 The militia served as another instrument of terror at the disposal of the Party. It is an organization of poor peasants and farm laborers (67 per cent) and of youth (aged 18-30) and is strongly class-conscious.

At the end of the land reform in North China,[57] the militia's strength was placed at 2,371,900. In Shansi Province alone, it was 373,250 in November 1950. Needless to say, the militia in this region had participated in guerrilla warfare against the Japanese and later assisted the Communists to defeat the Nationalists. They were well-organized and had gone through several consolidations and readjustments. In addition to the normal duties assigned to the militia, such as guarding granaries, bridges and transportation centers and escorting food transportation, the militia was also expected to assist in coastal defense. In most cases, they were organized into teams, such as highway patrol groups, coastal defense squads, and village joint-defense teams. In the Paoting administrative district, 665 such village teams were organized among the 4,715 villages.[58]

665 623 2. Election of Ts'un (village) Peoples' Representative Conference and Political Consolidation in the "old liberated" areas. The election of

56. Ibid., April 24, 1950, p. 2.
57 Ibid., Oct. 25, 1950, p. 1.
58 Hopei Daily, August 1, p. 3.

652 taxes on industry and trade to the total government expenditure remained almost constant during these years should not be interpreted to mean a constant tax burden imposed on these sectors of the Chinese economy. In absolute terms, their contributions have continually increased in order to meet the ever-expanding expenditure of the government.

As a whole, the fiscal policy of the Communist government has been more unfavorable to industry and trade than to agriculture. During the five-year period under consideration, private enterprise in industry and trade not only has had to bear a great burden of the increasing expenditure of the government, but also has been forced to accept stiff competition from government enterprises which, according to the Communist policy, will ultimately monopolize all the important trade and industries in the country.

On the expenditure side, military outlay constituted 41.5 per cent of total government expenditure in 1950 and 1951, respectively. After 1952, because of the truce in Korea, the relative importance of the military outlay has been substantially reduced. In 1954, it was only 21.1 per cent of the year's total expenditure. The outlay for economic construction has become the leading item on the debit side of the government account.

652 In making these comparisons, several
701 observations should be noted. First, the

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military expenditures as listed in the records of the Communist government do not include salaries and maintenance of military personnel, which are classified as government administrative expenses. Military outlays listed in the budgets of the Nationalist Government, on the other hand, consisted mainly of such salary and maintenance payments. If the definition of military expenditure were broadened to include such outlays, and if one-half of the administrative expenses listed in the Communist budget were for the payment of military personnel and administration, then the military expenditure for the years 1950-52 of the Communist government would have been as tabulated here.

Year	Ratio of Military Expenditure to Total Government Expenditure
1950	51.11
1951	49.83
1952	32.15
1953	29.45 (budget estimate)
1954	30.06
1955	32.98 (budget estimate)

In the fiscal report for 1953 the military and government administration expenditures were lumped together under one item. It is rather difficult to separate the military from

652 701 the non-military outlays on the basis mentioned above. For this reason, the budgetary estimates, where these outlays were separately listed, were used in this tabulation.

A second point which should be noted concerning the military expenditure of the Communist government is that a part of its expenditure for economic construction might well be considered military rather than economic. In the budget of the Nationalist Government, for example, outlays for developing aircraft-manufacturing industries, ammunition industries, and so forth, were usually classified as military expenses, whereas they would probably be considered as economic outlay in the Communists' report.

A third point to be noted is that, if the depreciation charges and outlays for maintenance and replacement in government enterprises were excluded from government receipt and expenditure, as should normally be the case, the relative importance of military expenditure of the years under consideration would have been much greater than those shown in the fiscal reports.

652 Even allowing for these adjustments, the fact that government outlays for economic, social, and educational purposes has been substantially increased under the Communist

2: Gamble S-5 (1926-1933) 1954 AF12 North China AF12

511 expenditure for chopsticks was 14 cents per family. Only five other items averaged as much as 10 cents per family per year, and only one, bowls, averaged as much as 20 cents.

Soap and hair cuts were the only two health items reported by all the families. The average annual expenditure was 26 cents for soap and 17 cents for hair cuts. The two families that bought toothbrushes and toothpaste spent a total of 75 cents for those items. Only four families spent any money for shaves and three for baths. The average expenditure for medicine was $1.22.

Educational items were reported by only 19 families. Their total expenditure was $18.32, an average of 96 cents. The expenditure for books was only 3.5 cents per person. Only three families said they paid school tuition. Their total expenditure was $4.12, an average of $1.37 per family.

The 70 cents spent for religion bought an average of three packages of paper money of 88 sheets each, 1.2 packages of yellow paper of 96 sheets each, and 2.7 bundles of incense. The price of the incense was five cents per bundle, of the paper 10 cents per package.

701 511 426 An assessment was levied on all families for the support of the army. It totaled $84.74. The amount per family varied from 60 cents to $4.80. It averaged some 8.0 cents a mu for all the land farmed by the 34 families, but it was 8.7 cents per mu for the land owned and 8.25 cents per mu on the land owned and held under mortgage. It seems clear that the owner of rented land was required to pay the assessment. Other studies generally indicated that it was the mortgagee who paid on the mortgaged land. The amounts reported by the individual families varied from 8.0 to 12.5 cents per mu on the land owned and from 4.1 to 12.5 cents per mu on the land owned and held under mortgage.

511 621 The village assessment for home guards, schools, etc. totaled $68.89. It averaged 7.1 cents per mu on the land owned and 6.7 cents per mu on the owned and mortgaged land. On the latter basis, the amounts for the individual families varied from 2.5 to 8.4 cents per mu, but for 21 of the families the amount was between 7.0 and 7.4 cents inclusive. As other studies have generally indicated that the village assessments were levied according to the number of mu a family owned or held under mortgage, it is not clear why there was such a difference in the amounts paid per mu unless the amount of the assessment was related to the quality of the land. Different rates for the three villages in which our